

City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2018-01187

August 21, 2018

Discussion Item 15

Title: Establishing Local Hire and Community Workforce Training Program and Local Business Involvement Pilot Program for Citywide Capital Improvement Projects (Two-Thirds Vote Required) [In lieu of Pass for Publication Ordinance will be published in its entirety per City Charter Section 32(d)]

Location: Citywide

Recommendation: 1) Pass a Motion by two-thirds vote temporarily suspending the Council Rules of Procedure to allow the City Council to review and adopt an ordinance without the Law and Legislation Committee's prior review (Council Rules of Procedure, Rules 8.K.1 and 13.A.2); 2) pass an Ordinance amending Article VII of Chapter 3.60 relating to the Local Business Enterprise (LBE) Program and publish in its entirety per City Charter Section 32(d), in lieu of pass for publication; and 3) pass a Resolution a) adopting a Local Hire and Community Workforce Training Program; and b) authorizing the City Manager or the City Manager's designee to adopt program policies, administrative procedures, certification standards, and participation goals, and to take such necessary additional actions to implement the Local Hire and Community Workforce Training Program; c) adopting a Local Business Involvement Pilot Program; and d) authorizing the City Manager or the City Manager's designee to adopt program policies, administrative procedures, certification standards, and participation goals, and to take such necessary additional actions to implement the Local Business Involvement Pilot Program; and 5) pass a Motion a) approving a Community Workforce and Training Agreement and side-letter with the Sacramento Building and Construction Trades Council, AFL-CIO Council and member unions; and b) authorizing the City Manager or the City Manager's designee to execute the Community Workforce and Training Agreement following execution by the Trades Council and signatory unions.

Contact: Fran Lee Halbakken, Assistant City Manager, (916) 808-7194, Office of the City Manager

Presenter: Fran Lee Halbakken, Assistant City Manager, (916) 808-7194, Office of the City Manager

Attachments:

- 1-Description/Analysis
- 2-Ordinance (Clean)
- 3-Ordinance (Redline)
- 4-Resolution
- 5-Comparison of Golden 1 Center programs and City programs
- 6-Community Workforce and Training Agreement (CWTA)
- 7-Requirements for the Local Hire and Community Workforce Training Program
- 8-Requirements for the Local Business Involvement Pilot Program

Description/Analysis

Issue Detail: Since 2016, various Councilmembers have asked staff to research local hire programs to increase the number of city residents employed in the delivery of the City's capital improvement projects. Councilmembers Schenirer and Carr asked staff to evaluate project labor agreements and the local hire program used for the Golden 1 Center for application to the City's capital improvement projects. Staff initiated discussions with the Sacramento-Sierra Building and Construction Trades Council, Sacramento Employment and Training Agency (SETA), the City Auditor's Office, and others to learn what worked well and areas that can be improved to better administer a local hire program.

Staff has negotiated the terms of a Community Workforce Training Agreement (CWTA) for Council consideration. The key provisions of the CWTA include:

- Promotes the efficiency of construction operations;
- Prohibits strikes, work stoppages, and lockouts;
- Clearly defined dispute resolution procedures;
- Sets a goal that at least 50% of the combined journey-level and apprentice hours on the project on a craft by craft basis, are worked by residents of the Local Area (Priority 1 - residents of City of Sacramento, Priority 2 - residents of Sacramento County outside of city limits, and Priority 3 - residents of counties of Yolo, Placer, El Dorado, Amador, Sutter, Yuba, Nevada, Sierra and San Joaquin);
- Sets a goal that 20% of total apprentice hours will be worked by priority apprentices from targeted zip code areas;
- Employment opportunities for military veterans under the Helmets to Hardhats/Sacramento Regional Veteran's Employment Assistance Program; and
- Employment opportunities for emancipated youth, women, former offenders, persons receiving public assistance, and youth interns.

Capital improvement projects that involve certain state and federal funding will be exempt from the local hire program. Federally funded projects typically include a Disadvantaged Business Enterprise (DBE) goal. Staff believes it would be confusing and burdensome to bidders to have both a DBE and local hire goal. Additionally, certain state funded projects may not be subject to local hire provisions due to Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals.

It is anticipated that between 10 to 15 projects will be covered by this CWTA during the first 18 months after Council action, although the number could be higher if state or federally funded projects are not restricted by funding requirements. The Local Hire and Community Workforce Training Program would be implemented for the Sacramento Convention Center and

Community Center Theater renovation projects as part of the upcoming construction bidding process this fall. The program would be implemented for other citywide capital projects greater than \$1 million construction value if the construction contract has not been awarded by January 1, 2019.

Staff is also recommending a Local Business Involvement (LBI) Pilot Program to encourage enhanced opportunities for businesses in the Sacramento region to participate in the City's capital improvement programs. The program would apply to the Sacramento Convention Center and Community Center Theater renovation projects, in lieu of the City's LBE program. Upon conclusion of construction of these two projects, the City will evaluate the results of the LBI Pilot Program to determine if the program should be established as a regular, on-going program for other City capital projects.

Policy Considerations: CWTAs standardize the work rules applicable to a project and to labor relations between contractors and their workers and the trade unions. They serve as a risk management tool by protecting projects from construction delays caused by an interruption in the supply of labor. The CWTA is a means to achieving local hiring goals in provision of good jobs for Sacramento residents and other regional workers. The local business program encourages enhanced opportunities for businesses within our region to participate in the City's capital improvement projects.

Economic Impacts: The purpose of the LBI Pilot Program is to encourage participation of local businesses in delivery of City capital projects and applies to both services and supplies. The region is comprised of the six-county metropolitan area plus San Joaquin County. The goal is for 50% of the project budget to be expended in this seven-county region and 15% of the 50% spent with small regional businesses.

Environmental Considerations: The subject of this report involves two new programs. Implementation of these programs does not have a potential for resulting in either direct or indirect physical changes in the environment. The programs are not a "project" in accordance with Section 15378 of the California Environmental Quality Act Guidelines. Therefore, as determined by the City's Environmental Services Manager, no environmental review is necessary.

Sustainability: Not applicable.

Commission/Committee Action: None

Rationale for Recommendation: Councilmembers have requested that staff consider ways to increase employment and participation of Sacramento residents and businesses in delivering

the City's capital improvement programs. The Golden 1 Center was the first project to use a robust local hire and business program through a Project Labor Agreement executed by Turner Construction, the contractor, and the various construction trade unions. Staff is recommending a similar but revised version of these two programs to create employment opportunities for local residents and targeted populations and to encourage the use of local businesses for related services and supplies.

Financial Considerations: Implementation of the local hire and local business involvement programs will require City staff resources to develop specification and construction contract language for the covered projects. The recruitment, verification, and reporting of worker qualifications will require contractor support, consultant labor compliance services, union support, and the assistance of the Sacramento Employment and Training Agency (SETA) to implement and administer the Local Hire and Community Workforce Training Program.

Implementing the Local Business Improvement program as a pilot initially will allow City staff to assess how to implement, support and monitor this new program. No additional staff are being proposed to support the program.

Additional project contracting costs are likely due to increased work in tracking, reporting, and verification of worker and business qualifications, including local hire, veteran participation and other targeted populations. It is anticipated that projects may experience some delay in construction start while the contractor and listed subcontractors execute the CWTA.

Initial funding of \$100,000 in General Funds is available in the Convention Center Complex Renovation (M17100100) project to support a contract with SETA. A new project for the CWTA program will be established and these funds will be transferred when the contract for these services is brought to Council for approval. This initial funding should cover the first year of the local hire program.

Local Business Enterprise (LBE): None.

ORDINANCE NO. 2018-

Adopted by the Sacramento City Council

AN ORDINANCE AMENDING ARTICLE VIII OF CHAPTER 3.60 OF THE
SACRAMENTO CITY CODE, RELATING TO
ESTABLISHMENT OF A LOCAL HIRE PROGRAM

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Article VIII of chapter 3.60 of the Sacramento City Code is amended to read as follows:

Article VIII. Local Business Enterprise and Local Hire Programs

3.60.260 Local business enterprise and local hire programs.

The city council may adopt by resolution programs to promote and provide incentives for the participation of local business enterprises (LBEs) in city contracts or agreements awarded under the provisions of chapters 3.56, 3.60, or 3.64. The city council may also adopt by resolution programs to promote and provide incentives for the hiring of local residents to perform work on projects for contracts awarded under the provisions of this chapter 3.60. The city manager may adopt administrative procedures to implement the provisions of these programs.

3.60.270 LBE and local hire participation levels.

A. The specifications or request for bids or proposals for any contract or agreement awarded under the provisions of chapters 3.56, 3.60, or 3.64 may establish goals or minimum levels for participation in the contract or agreement by LBEs. No bidder or proposer on the contract or agreement shall be considered a responsive bidder or proposer unless its bid or proposal meets the minimum LBE participation levels established for the contract or agreement, in accordance with the administrative procedures authorized by section 3.60.260.

B. The specifications or request for bids for any contract awarded for projects under the provisions of this chapter 3.60 may establish goals or minimum levels for hiring local residents to perform work on the project, and may require contractors to obtain referrals when hiring employees and interns for the project from apprenticeship programs, employment and training agencies, and other sources.

3.60.280 Sheltered market program.

The LBE programs and their respective administrative procedures authorized by section 3.60.260 may provide for a sheltered market program that restricts bidding

and awards for contracts and agreements that do not exceed the contract approval authority of the city manager under sections 3.56.080, 3.60.080, and 3.64.030.

3.60.290 MBE/WBE/DBE bid requirements.

The LBE and local hire programs authorized in sections 3.60.260 through 3.60.280, inclusive, shall not apply to any contract or agreement awarded under or funded by any federal or state program that includes minority business enterprise (MBE), women business enterprise (WBE), or disadvantaged business enterprise (DBE) participation goals. Such contracts or agreements shall be awarded in accordance with the applicable MBE, WBE, or DBE requirements and procedures.

3.60.300 Provision of false information a misdemeanor.

A. No person shall submit false information to the city, or to the city's representative, for the purpose of establishing the status of any business entity, including a sole proprietorship, as a MBE, WBE, DBE, or LBE.

B. No person shall submit false information to the city or the city's representative in connection with any bid or proposal regarding the MBE, WBE, DBE, or LBE status of any business entity, including a sole proprietorship, or regarding efforts made by that person to meet the MBE, WBE, DBE, or LBE participation levels included in a city contract or agreement.

C. No person shall submit false information to the city or the city's representative in connection with any local hire program, including the location where an employee resides or efforts made to meet the local hire participation levels included in a city contract.

D. Any person who violates this section is guilty of a misdemeanor punishable as provided in section 1.28.020. This shall be in addition to any other remedies authorized by any other provisions of this code or provided for by any federal, state, or local law or regulation.

3.60.310 Information to be provided under penalty of perjury.

A. Whenever any bid or proposal to be submitted to the city calls for the bidder or proposer to submit information about the MBE, WBE, DBE, or LBE status of any business entity, including a sole proprietorship, or about the efforts made by the bidder or proposer to meet the MBE, WBE, DBE, or LBE participation goals included in a city contract or agreement, such information shall be submitted under penalty of perjury.

B. Whenever any bid to be submitted to the city calls for the bidder to submit information about the bidder's local hire plan or about the efforts to be undertaken by the bidder to meet the local hire participation goals included in a city contract, such information shall be submitted under penalty of perjury.

ORDINANCE NO. 2018-

Adopted by the Sacramento City Council

**AN ORDINANCE AMENDING ARTICLE VIII OF CHAPTER 3.60 OF THE
SACRAMENTO CITY CODE, RELATING TO
ESTABLISHMENT OF A LOCAL HIRE PROGRAM**

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Article VIII of chapter 3.60 of the Sacramento City Code is amended to read as follows:

Article VIII. ~~Participation of~~ Local Business Enterprise and Local Hire Programs

3.60.260 Local business enterprise (~~LBE~~) and local hire programs.

The city council may adopt by resolution, programs to promote and provide incentives for the participation of local business enterprises (LBEs) in city contracts or agreements awarded under the provisions of ~~C~~chapters 3.56, 3.60, or 3.64. The city council may also adopt by resolution programs to promote and provide incentives for the hiring of local residents to perform work on projects for contracts awarded under the provisions of this chapter 3.60. The city manager may adopt administrative procedures to implement the provisions of these programs. ~~For purposes of this article, the term “LBE” shall refer to any business entity that is defined as a local business enterprise under the city manager’s administrative procedures.~~

3.60.270 LBE and local hire participation levels.

A. The specifications or request for bids or proposals for any contract or agreement awarded under the provisions of ~~C~~chapters 3.56, 3.60, or 3.64 may establish goals or minimum levels for participation in the contract or agreement by LBEs. No bidder or proposer on the contract or agreement shall be considered a responsive bidder or proposer unless its bid or proposal meets the minimum LBE participation levels established for the contract or agreement, in accordance with the administrative procedures authorized by ~~S~~section 3.60.260.

B. The specifications or request for bids for any contract awarded for projects under the provisions of this chapter 3.60 may establish goals or minimum levels for hiring local residents to perform work on the project, and may require contractors to obtain referrals when hiring employees and interns for the project from apprenticeship programs, employment and training agencies, and other sources.

3.60.280 Sheltered market program.

The LBE programs and their respective administrative procedures authorized by [S](#)section 3.60.260 may provide for a sheltered market program that restricts bidding and awards for contracts and agreements that do not exceed the contract approval authority of the city manager under [S](#)sections 3.56.080, 3.60.080, and 3.64.030.

3.60.290 MBE/WBE/DBE bid requirements.

[The LBE and local hire programs authorized in S](#)sections 3.60.260 through 3.60.280, inclusive, shall not apply to any contract or agreement awarded under or funded by any federal or state program that includes minority business enterprise (MBE), women business enterprise (WBE), or disadvantaged business enterprise (DBE) participation goals. Such contracts or agreements shall be awarded in accordance with the applicable MBE, WBE, or DBE requirements and procedures.

3.60.300 Provision of false information a misdemeanor.

A. No person shall submit false information to the city, or to the city's representative, for the purpose of establishing the status of any business entity, including a sole proprietorship, as a MBE, WBE, DBE, or LBE.

B. No person shall submit false information to the city or the city's representative in connection with any bid or proposal regarding the MBE, WBE, DBE, or LBE status of any business entity, including a sole proprietorship, or regarding efforts made by that person to meet the MBE, WBE, DBE, or LBE participation levels included in a city contract or agreement.

C. [No person shall submit false information to the city or the city's representative in connection with any local hire program, including the location where an employee resides or efforts made to meet the local hire participation levels included in a city contract.](#)

D. Any person who violates this section is guilty of a misdemeanor punishable as provided in [S](#)section 1.28.0120. This shall be in addition to any other remedies authorized by any other provisions of this code or provided for by any federal, state, or local law or regulation.

3.60.310 Information to be provided under penalty of perjury.

A. Whenever any bid or proposal to be submitted to the city calls for the bidder or proposer to submit information about the MBE, WBE, DBE, or LBE status of any business entity, including a sole proprietorship, or about the efforts made by the bidder or proposer to meet the MBE, WBE, DBE, or LBE participation goals included in a city contract or agreement, such information shall be submitted under penalty of perjury.

B. Whenever any bid to be submitted to the city calls for the bidder to submit information about the bidder's local hire plan or about the efforts to be undertaken by the bidder to meet the local hire participation goals included in a city contract, such information shall be submitted under penalty of perjury.

RESOLUTION NO. 2018-

Adopted by the Sacramento City Council

ADOPTING LOCAL HIRE AND COMMUNITY WORKFORCE TRAINING PROGRAM AND LOCAL BUSINESS INVOLVEMENT PILOT PROGRAM

BACKGROUND

The Sacramento City Council hereby finds and declares as follows:

- A. On April 3, 2012, the City Council adopted Ordinance No. 2012-011, which amended Sections 3.56.020, 3.60.020, and Article VIII of Chapter 3.60 of the Sacramento City Code to authorize City Council to adopt by resolution a program or programs to promote and provide incentives for the participation of local business enterprises (LBEs) in City contracts and agreements.
- B. Since 2016, various councilmembers have requested that staff research local hire programs and other opportunities to increase the participation of local businesses and residents in City contracts and agreements.
- C. On _____, 2018, City Council adopted Ordinance No. _____, which amended Article VIII of Chapter 3.60 of the Sacramento City Code to authorize City Council to adopt, by resolution, a program or programs to promote and provide incentives for the hiring of local residents to perform work on City projects.
- D. To promote the participation of local business enterprise and stimulate local economies, jurisdictions across the state have adopted local hire and other programs to increase employment and contracting opportunities for local residents and local businesses.
- E. An increase in local employment and local purchasing within Sacramento, could lead to additional increases in sales tax, local jobs, and private sector expenditures and growth.
- F. The Local Hire and Community Workforce Training Program will encourage contractors to hire local residents as employees in the following priority order: (1) residents of the City of Sacramento; (2) residents of the Sacramento County (outside the City); (3) residents of the Amador, El Dorado, Nevada, Placer, San Joaquin, Sierra, Sutter, Yolo, and Yuba counties. Promoting the hiring of residents of the seven-county region, with a priority provided to City of Sacramento residents, will have direct economic benefits to the city, including employment and indirect sales taxes.
- G. The Local Hire and Community Workforce Training Program will apply to the City's public projects with construction budgets of \$1,000,000 or more.
- H. The Local Business Involvement Pilot Program will encourage City contractors performing construction, design, and other services on the Convention Center and Community Center Theater projects to spend 50% of

their contract budget with local businesses located in Sacramento, El Dorado, Placer, San Joaquin, Sutter, Yolo, and Yuba counties. 15% of the 50% should be spent with small local businesses.

- I. To comply with competitive bidding process requirements for public construction projects, these programs include goals, not bidding requirements or preferences.
- J. The Local Hire and Community Workforce Training Program and Local Business Involvement Pilot Program will not apply to certain state or federally funded projects that include a disadvantaged business enterprise, minority business enterprise, or women business enterprise participation goals.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1: A Local Hire and Community Workforce Training Program that includes the following goals is hereby adopted:

(a) 50% of the total workforce hours for a covered project shall be worked by residents of the local area in the following priority: (1) residents of the City of Sacramento; (2) residents of Sacramento County, outside the City of Sacramento; (3) residents of the counties of Amador, El Dorado, Nevada, Placer, San Joaquin, Sierra, Sutter, Yolo, and Yuba;

(b) 20% of the total apprentice hours project labor hours for a covered project shall be worked by "priority apprentices" who reside in an economically disadvantaged zip code and meet one of the following criteria: (1) veteran; (2) prior offender; (3) public assistance recipient; (4) foster youth; (5) homeless; (6) woman.

Section 2: A Local Business Involvement Pilot Program that includes the following goals is hereby adopted:

(a) 50% of the total contract budget of contractors performing construction, design, and other professional services shall be spent with local businesses located in Sacramento, El Dorado, Placer, San Joaquin, Sutter, Yolo, and Yuba counties;

(b) 15% of the 50% shall be spent with small regional businesses.

Section 3: The Local Hire and Community Workforce Training Program will apply to contracts in which the estimated cost of the construction project is \$1,000,000 or more, and are not funded in whole or in part with federal or state funds that include a disadvantaged business enterprise, minority business enterprise, or women business enterprise participation goals.

Section 4: The Local Business Involvement Pilot Program will apply to the Sacramento Convention Center and the Community Center Theater renovation projects.

Section 4: The City Manager or the City Manager's designee is hereby authorized to adopt Local Business Involvement Program and Local Hire and Community Workforce Training Program policies, administrative procedures, standards to qualify as a local hire and a local business under the pilot Program, and to take such necessary additional actions to implement the Programs.

**Comparison of Local Hiring and Local Business Involvement Programs
Golden 1 Center and City Capital Improvement Projects \$1 million and greater construction cost**

Program	Golden 1 Center	Citywide Program for Capital Improvement Projects
Local Hiring Program	Yes	Yes
Local Hiring Goal	60%	50%
Local Hiring Boundary	10 County Region (Sacramento, Yolo, Placer, El Dorado, Amador, Sutter, Yuba, Nevada, Sierra and San Joaquin)	10 County Region with Sacramento City and County priority
Priority Apprenticeship Program (PAP)	Yes	Yes
PAP Goal	70 apprentices	20% of total apprentice hours
PAP Targeted Zip Codes/Areas	95652, 95660, 95811, 95814, 95815, 95817, 95820, 95823, 95824, 95832, 95838	95652, 95660, 95811, 95814, 95815, 95817, 95820, 95823, 95824, 95832, 95838
Veterans Preference	Yes	Yes
Veteran Program	Helmets to Hardhats	Helmets to Hardhats /VEAP*(1)
Ban the Box Requirement	Yes	Yes
Persons receiving Public Assistance	No	Yes
Emancipation from foster care system	No	Yes
Women	Yes	Yes
Local Business Involvement	Yes	Yes
Local Business Goal	60% of project budget*(2)	50% of project budget*(2)
Local Business Involvement Area	7 County Region (Sacramento, Yolo, Placer, El Dorado, San Joaquin, Sutter, and Yuba)	7 County Region (Sacramento, Yolo, Placer, El Dorado, San Joaquin, Sutter, and Yuba)
Local Small Business	25% of 60% above	15% of 50% above
Youth Internships	N/A	Yes
Project Hours	None	Best Efforts
Monitoring/Reporting	Quarterly	Quarterly

*Notes:

1. VEAP = Sacramento Regional Veteran's Employment Assistance Program.
2. Includes the design, other professional services and the construction contracts.

COMMUNITY WORKFORCE AND TRAINING AGREEMENT

CITY OF SACRAMENTO

INTRODUCTION/FINDINGS

The purpose of this Community Workforce and Training Agreement is to promote efficiency of construction operations in the construction of major projects set forth in the City of Sacramento's Capital Improvement Plan and other public works projects that are subject to this Agreement, thereby promoting the public interest in assuring the timely and cost-effective completion of such projects, and supporting the efforts of the City to increase employment opportunities for workers who are local area residents, and to provide construction career training and employment opportunities for the City's at-risk youth, military veterans, women and other disadvantaged residents through local apprenticeship and pre-apprentice programs.

A. The City adopts a five-year Capital Improvement Plan that identifies the public projects necessary to maintain and improve the physical properties of the City, including construction or repair of City buildings and facilities, such as streets, roads, storm drains, traffic signals, parks, and community centers.

B. The City undertakes and anticipates undertaking projects identified in the Capital Improvement Plan and other City public works projects that involve significant construction costs in excess of the threshold set forth in this Agreement.

C. The City Council has determined that the successful and cost-effective completion of these Capital Improvement Plan projects and other major City public works projects is of the utmost importance to the City and its taxpayers and the residents it serves.

D. The City has determined that applying a uniform workforce agreement to the Capital Improvement Plan and other public works construction projects that exceed the threshold set forth in this Agreement during the term of this Agreement will provide efficiencies for the City and its contractors.

E. Community workforce and training agreements and similar workforce agreements have been used successfully to achieve the goals and objectives set forth in this Agreement by other public agencies and private entities on major construction projects in the region, including on the Golden 1 Center project.

F. Large numbers of workers of various skills will be required in the performance of the construction work, including those workers represented by the Local Unions signatory to this Agreement and employed by contractors and subcontractors who are signatory to this Agreement.

G. The use of skilled labor on construction work increases the safety of construction operations and the quality of completed work.

H. Major projects subject to this Agreement will require multiple contractors and bargaining units to be on the job site at the same time over an extended period of time, increasing the potential for work disruption in the absence of an overriding commitment to maintain continuity of work.

I. The interests of the general public and taxpayers, the City, the Contractor(s) and the Unions would be best served if the construction work proceeded in an orderly manner without disruption and delay.

J. The Contractor(s) and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on the construction projects subject to this Agreement in order to promote a satisfactory, continuous and harmonious relationship among the parties to this Agreement.

K. This Agreement is not intended to replace, interfere with, abrogate, diminish or modify existing local or national collective bargaining agreements in effect during the duration of the Project, insofar as a legally binding agreement exists between the Contractor(s) and the affected Union(s), except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail.

L. The contracts for the construction of the Project will be awarded in accordance with the applicable provisions of the Sacramento City Code, the California State Public Contract Code and other applicable state, local and federal laws.

M. The City has the right and is legally obligated, subject to certain exceptions, to select the lowest responsive and responsible bidder for the award of construction contracts on the Project or to reject all bids.

N. The City places high priority upon the development of comprehensive programs for the recruitment, training and employment of local area residents and military veterans, and also recognizes the ability of local apprenticeship programs to provide meaningful and sustainable careers in the building and construction industry.

O. The parties signatory to this Agreement pledge their full good faith and trust to work towards mutually satisfactory completion of the Capital Improvement Plan projects and other major City public works projects subject to this Agreement.

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES HERETO, AS FOLLOWS:

ARTICLE I
DEFINITIONS

- 1.1 "Agreement" means this Community Workforce and Training Agreement.
- 1.2 "Agreement to be Bound" means the agreement (attached hereto and incorporated herein as Addendum A) required to be executed by any Contractor(s) working on the Project as a precondition to performing Covered Work on the Project.
- 1.3 "City" means the City of Sacramento.
- 1.4 "Completion" means the point at which there is Final Acceptance by the City, which occurs when the City determines that the entire project is complete in accordance with the City's Standard Specifications. The date of completion of the entire Project shall be specified in any Notice of Completion filed pursuant to Civil Code Section 3093.
- 1.5 "Construction Contract" means all public works contracts approved by the City for a Project, including design-bid, design-build, lease-leaseback or other contracts under which Covered Work is performed.
- 1.6 "Contractor "or "Contractor(s)" means any person, firm, corporation, or other entity, or any combination thereof, including joint ventures, and any successor or assigns of such persons or entities, that has entered into a contract with the City, or with any other person or entity contracting for work on the Project on behalf of the City (whether by design-bid, design-build, lease-leaseback or other means), with respect to the construction of any part of the Project under contract terms and conditions approved by the City, and any of its contractors or subcontractors of any tier.
- 1.7 "Master Agreement" or "Schedule A" means the Master Collective Bargaining Agreement of each craft union signatory hereto, copies of which shall be provided to the City.
- 1.8 "Project" means any City public works project where either the engineer's estimate of the total construction cost of the project or the actual cumulative bid amounts submitted by the contractor or contractors awarded the Construction Contracts for the Project exceeds One Million Dollars (\$1,000,000). All Construction Contracts required to complete an integrated City construction project shall be considered in determining the threshold value of the Project.
- 1.9 "Project Manager" means the person or business entity designated by, or under contract with the City to oversee all phases of construction on the Project.
- 1.10 "Trades Council" means the Sacramento-Sierra Building and Construction Trades Council, AFL-CIO.

1.11 "Union" or "Unions" means the labor organizations that are signatory to this Agreement, acting on their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement ("Local Unions"). The Trades Council and the Unions are collectively referred to herein as the "Unions."

ARTICLE II **SCOPE OF AGREEMENT**

2.1 Parties. This Agreement applies and is limited to all Contractor(s), performing Construction Contracts on the Project, the City, the Trades Council and the Local Unions that are signatory to this Agreement.

2.2 Applicability. This Agreement governs all Construction Contracts awarded on the City Projects subject to this Agreement. For purposes of this Agreement, a Construction Contract is considered completed as described in Section 1.4, except when the City's authorized representative directs a Contractor to engage in repairs, warranty work, or modifications as required under the original Construction Contract with the City.

2.2.1 Covered Work. This Agreement covers, without limitation, all on-site site preparation, surveying, construction, alteration, demolition, installation, improvement, painting or repair of buildings, structures and other works, and related activities for the Project that is within the craft jurisdiction of one of the Unions and which is directly or indirectly part of the Project, including, without limitation to the following examples, geotechnical and exploratory drilling, temporary HVAC, landscaping and temporary fencing, pipelines (including those in linear corridors built to serve the Project), pumps, pump stations, and modular furniture installation. On-site work includes work done solely for the Project in temporary yards, dedicated sites, or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. This scope of work includes all soils and materials testing and inspection where such testing and inspection is a classification in which a prevailing wage determination has been published.

2.2.2 This Agreement applies to any start-up, calibration, commissioning, performance testing, repair, maintenance or operational revisions to systems and/or subsystems for the Project that are part of the original Construction Contract, including when performed after Completion, unless it is performed by City employees.

2.2.3 This Agreement covers all on-site fabrication work over which the City, Contractor(s) or their subcontractors possess the right of control (including work done for the Project in any temporary yard or area established for the Project). Additionally, this Agreement covers any off-site fabrication work necessary for the Project that is traditionally performed by any of the Unions and that is covered by a Master Agreement or local addenda to a National Agreement of the applicable Union(s) in effect as of the execution date of this Agreement.

2.2.4 The furnishing of supplies, equipment or materials that are stockpiled for later use are not covered by this Agreement. However, construction trucking work, such as the delivery of ready-mix, asphalt, aggregate, sand, or other fill or material that is incorporated into the construction process as well as the off-hauling of debris and excess fill, material and/or

mud, shall be covered by the terms and conditions of this Agreement to the fullest extent allowed by law. Contractor(s), including brokers, of persons providing construction trucking work shall provide certified payroll records to the City within ten (10) calendar days of written request or as required by the Construction Contract.

2.2.5 Work covered by this Agreement within the following craft jurisdictions shall be performed under the terms of their National Agreements as follows: the National Transient Lodge (NTL) Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement, and the National Agreement of Elevator Constructors, and any instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Technicians, with the exception that Articles IV, XIV and XV of this Agreement shall apply to such work.

2.3 Exclusions from Covered Work

2.3.1 The Agreement is limited to construction work on a Project and is not intended to and shall not affect or govern the award of construction contracts by the City which are not a part of a Project.

2.3.2 The Agreement does not apply to a Contractor(s)' non-construction craft employees, including but not limited to executives, managerial employees, contract and/or construction managers, engineering employees and supervisors above the level of General Foreman (except those covered by existing Master Agreements), staff engineers or other professional engineers, administrative, management, office, professional, and clerical employees.

2.3.3 The Agreement does not apply to work by employees of the City.

2.3.4 The Agreement does not apply to off-site maintenance of leased equipment and on-site supervision of such work.

2.3.5 The Agreement does not apply to work performed by employees of an Original Equipment Manufacturer ("OEM") or vendor on the OEM's or vendor's equipment if required by the warranty agreement between the OEM or vendor and the City in order to maintain the warranty or guarantee on such equipment, and provided that the warranty agreement is the OEM's or vendor's usual and customary warranty agreement for such equipment.

2.3.6 The Agreement does not apply to specialized or technical work requiring specialized training, unique skills, and/or a level of specific technical experience that the Unions do not possess, including the use of specialty equipment and tools. Before any Contractor subcontracts any work subject to this exception, such Contractor shall give the Trades Council at least three (3) days advance notice. Any specialized or technical work subject to this Section anticipated by the Project Manager or any Contractor shall be discussed at the Pre-Job Conference held pursuant to Article V. Any disputes regarding the application of this Section shall be resolved by the parties through the expedited arbitration process in Section 4.2 to determine whether any violation of this section has occurred.

2.3.7 The Agreement does not apply to laboratory work for specialty testing or inspections and all testing or inspections not covered by the Master Agreement of one of the signatory Unions.

2.3.8 The Agreement does not apply to any work performed on, near, or leading to the Project and undertaken by state, county, or other governmental bodies or their contractors, or public utilities or their contractors.

2.3.9 The Agreement does not apply to any work related to the creation or installation of any Art Work by an individual Artist as part of the City's Art in Public Places requirement. For purposes of this Agreement, "Art Work" is a unique, one-of-a-kind decorative element to be incorporated into the building or site, the design, illustration, and detailing of which can only be fully completed in the field and can only be performed by the individual Artist. An "Artist" is an individual that is engaged by the City or the Primary Employer to create and install Art Work. The Artist shall perform all final adjustments, finishing touches, and final painting of any Art Work.

2.3.10 The Agreement does not apply to work on any housing or residential component of a Project that is otherwise covered by this Agreement.

2.4 Award and Enforcement of Construction Contracts. Notwithstanding any other provision of this Agreement, the City has the absolute right to select any qualified bidder for the award of Construction Contracts and to enforce all provisions of its Construction Contracts. The bidder need only be willing, ready and able to execute the Addendum A Agreement to be Bound and comply with this Agreement. This Agreement shall be included in all invitations to bid or solicitations for proposals from contractors or subcontractors for work on the Project that are issued on and after the effective date of this Agreement.

ARTICLE III **EFFECT OF AGREEMENT**

3.1 By executing the Agreement, the Unions and the City agree to be bound by the terms and conditions of the Agreement.

3.2 By accepting the award of a Construction Contract for the Project, whether as contractor or subcontractor, the Contractor(s) agrees to be bound by each and every provision of the Agreement, and agrees that it will evidence its acceptance prior to the commencement of work by executing the Agreement to be Bound in the form attached hereto as Addendum A.

3.3 At the time that any Contractor(s) enters into a subcontract with any subcontractor providing for the performance of a Construction Contract, the Contractor(s) shall provide a copy of this Agreement to such subcontractor, and shall require their subcontractor, as a condition to accepting an award of a construction subcontract, to agree in writing to be bound by each and every provision of this Agreement prior to the commencement of work by executing the Agreement to be Bound in the form attached hereto as Addendum A.

3.4 This Agreement is only binding on the signatories and their successors and assigns, and does not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Each Contractor and subcontractor is alone liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement, except as otherwise provided by law or the applicable Schedule A. Any dispute between the Union(s) and the Contractor(s) respecting compliance with the terms of the Agreement, shall not affect the rights, liabilities, obligations and duties between the signatory Union(s) and other Contractor(s) party to this Agreement. Any liability by a signatory Union to this Agreement shall be several and not joint. Any alleged breach of this Agreement by a signatory Union does not affect the rights, liabilities, obligations and duties between the signatory Contractor(s) and the other Union(s) party to this Agreement.

3.5 The provisions of this Agreement, including the Master Agreements of the Local Unions having jurisdiction over the work on the Project, incorporated herein by reference, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Master Agreement, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a Master Agreement and is not covered by this Agreement, the provisions of the Master Agreement shall prevail.

ARTICLE IV
WORK STOPPAGES, STRIKES, SYMPATHY
STRIKES AND LOCKOUTS

4.1 The Unions, City and Contractor(s) covered by the Agreement agree that for the duration of the Project:

4.1.1 There shall be no strikes, sympathy strikes, work stoppages, picketing, handbilling or otherwise advising the public that a labor dispute exists, or slowdowns of any kind, for any reason, by the Unions or employees employed on the Project, at the job site of the Project or at any other facility of the City because of a dispute on the Project. Disputes arising between the Unions and Contractor(s) on other City projects are not governed by the terms of the Agreement or this Article.

4.1.2 There shall be no lockout of any kind by a Contractor of workers employed on the Project.

4.1.3 If a Master Agreement expires before the Contractor completes the performance of work under the Construction Contract and the Union or Contractor gives notice of demands for a new or modified Master Agreement, the Union agrees that it will not strike on work covered under this Agreement and the Union and the Contractor agree that the expired Master Agreement shall continue in full force and effect for work covered under this Agreement until a new or modified Master Agreement is reached.

4.1.4 In the case of nonpayment of wages or trust fund contributions on the Project, the Union shall give the City and the Contractor(s) three (3) business days' notice when nonpayment of trust fund contributions has occurred and one (1) business days' notice when

nonpayment of wages has occurred or when paychecks being tendered to a financial institution normally recognized to honor such paychecks will not honor such paycheck as a result of insufficient funds, of the intent to withhold labor from the Contractor(s) or their subcontractor's workforce, during which time the Contractor shall have the opportunity to correct the default. In this instance, a Union's withholding of labor (but not picketing) from a Contractor who has failed to pay its fringe benefit contributions or failed to meet its weekly payroll shall not be considered a violation of this Article.

4.1.5 If the City contends that any Union has violated this Article, it will notify in writing (including email) the Senior Executive of the Trades Council and the Senior Executive of the Union, setting forth the facts alleged to violate the Article, prior to instituting the expedited arbitration procedure set forth below. The Senior Executive of the Trades Council will immediately use his/her best efforts to cause the cessation of any violation of this Article. The leadership of the Union will immediately inform the membership of their obligations under this Article. A Union complying with this obligation shall not be held responsible for unauthorized acts of employees it represents.

4.2 Expedited Arbitration. Any party to this Agreement shall institute the following procedure, prior to initiating any other action at law or equity, when a breach of this Article is alleged to have occurred:

4.2.1 A party invoking this procedure shall notify Barry Winograd, as the permanent arbitrator, or John Kagel, as the alternate arbitrator under this procedure. In the event that the permanent arbitrator is unavailable at any time, the alternate will be contacted. If neither is available, then a selection shall be made from the list of arbitrators as set forth in Section 14.2. Notice to the arbitrator shall be by the most expeditious means available, with notices by facsimile, email or telephone to the City and the party alleged to be in violation, and to the Trades Council and involved Local Union if a Union is alleged to be in violation.

4.2.2 Upon receipt of said notice, the City will contact the designated arbitrator named above or his alternate who will attempt to convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

4.2.3 The arbitrator shall notify the parties by facsimile, email or telephone of the place and time for the hearing. The hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party to attend such hearings shall not delay the hearing of evidence or the issuance of an award by the arbitrator.

4.2.4 The sole issue at the hearing shall be whether or not a violation of Article IV, Section 4.1 of the Agreement has occurred. The arbitrator shall have no authority to consider any matter of justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) calendar days, but its issuance shall not delay compliance with or enforcement of the award. The arbitrator may order cessation of the violation of this Article and other appropriate relief and such award shall be served on all parties by hand or registered mail upon issuance.

4.2.5 Such award may be enforced by any Court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to above. Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 4.2.4 of this Article, all parties waive the right to a hearing and agree that such proceedings may be ex parte. Such agreement does not waive any party's right to participate in a hearing for a final order or enforcement. The Court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or delivered by certified mail.

4.2.6 Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure, or which interfere with compliance, are waived by the parties.

4.2.7 The fees and expenses of the arbitrator shall be divided equally between the party instituting the arbitration proceedings and the party alleged to be in breach of its obligation under this Article.

ARTICLE V **JOINT LABOR/MANAGEMENT MEETINGS AND** **PRE-JOB CONFERENCES**

5.1 Joint Labor/Management Meetings. During the period of any work performed under this Agreement, joint Labor/Management meetings between the City, the Project Manager, the Contractor(s) and the Unions shall be held on a periodic basis to be determined by the parties. The purpose of these meetings is to promote harmonious labor/management relations, ensure adequate communications and advance the proficiency and efficiency of the craft workers and contractors performing work at the Project. These meetings will include a discussion of safety, craft resource requirements, scheduling and productivity of work performed at the Project.

5.2 Pre-Job Conferences. The Project Manager shall convene and conduct a Pre-Job Conference with representatives of all involved Contractor(s) and the Unions at least twenty-one (21) calendar days prior to the commencement of any Covered Work on the Project and prior to the commencement of any Covered Work on each subsequently awarded Construction Contract or phase of the Project. The conference shall be attended by a representative of each participating Contractor and each affected Union. The Trades Council and City may attend at their discretion. The Project Manager and the Contractor(s) shall be prepared to discuss in detail: (i) the scope of work for each Contractor; (ii) craft assignments; (iii) estimated number of craft workers required to perform the work; (iv) transportation arrangements; (v) estimated start and completion dates of the work; and (vi) planned use of pre-fabricated materials. The meeting shall be held at a location mutually agreeable to the parties.

ARTICLE VI **NO DISCRIMINATION**

6.1 The Contractor(s) and Unions agree to comply with all anti-discrimination provisions of federal, state and local law, to protect employees and applicants for employment, on the Project.

ARTICLE VII
UNION SECURITY

7.1 The Contractor(s) recognize the Union(s) as the sole bargaining representative of all craft employees working within the scope of this Agreement.

7.2 All employees performing work covered by this Agreement shall, as a condition of employment on or before the eighth (8th) day of consecutive or cumulative employment on the Project, be responsible for the payment of the applicable periodic working dues and any associated fees uniformly required for union membership in the Local Union that is signatory to this Agreement for the duration of his or her employment on the Project. Nothing in this Agreement is intended to prevent any non-union employees from joining the Local Union.

7.3 Authorized representatives of the Unions shall have reasonable access to the Project whenever work covered by this Agreement is being, has been, or will be performed on the Project. All authorized representatives of the Union(s) must comply with the required check-in procedure prior to visiting the work area.

ARTICLE VIII
REFERRAL

8.1 Contractor(s) performing construction work on the Project described in the Agreement shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Local Unions (“Job Referral System”). Such Job Referral System shall be operated in a non-discriminatory manner and in full compliance with all federal, state, and local laws and regulations, including those which require equal employment opportunities and non-discrimination. The Contractor(s) shall have the right to reject any applicant referred by the Union(s) in accordance with this Article 8.

8.2 The Contractor(s) shall have the unqualified right to select and hire directly all supervisors above general foreman it considers necessary and desirable, without such persons being referred by the Union(s) consistent with Section 2.3.2 of this Agreement.

8.3 In the event that referral facilities maintained by the Union(s) are unable to fill the requisition of a Contractor(s) for employees within a forty-eight (48) hour period (Saturdays, Sundays and Holidays excluded) after such requisition is made by the Contractor(s), the Contractor(s) shall be free to obtain work persons from any source. A Contractor who hires any personnel to perform covered work on the Project pursuant to this Section shall immediately provide the appropriate Union with the name and address of such employee(s) and shall immediately refer such employee(s) to the appropriate Union to satisfy the requirements of Article VII of this Agreement.

ARTICLE IX
LOCAL HIRE, APPRENTICESHIP AND WORKFORCE DEVELOPMENT

9.1 Local Hire. It is in the interest of the parties to this Agreement to facilitate employment of City of Sacramento and Sacramento County residents and to develop increased numbers of local skilled construction workers to meet the requirements of the regional construction economy. The “Local Area” is defined as the City of Sacramento, Sacramento County, and the additional nine counties in section 9.1.3 below. It is the objective of the

parties that not less than fifty percent (50%) of the combined journey-level and apprentice hours worked on the Project, on a craft by craft basis, be worked by residents of the Local Area. The Unions agree that residents of the Local Area shall be first referred for Project Work, including journey-level workers and apprentices covered by this Agreement, in the following order of priority:

9.1.1 Priority 1: Residents of the City of Sacramento.

9.1.2 Priority 2: Residents of Sacramento County outside of the City of Sacramento.

9.1.3 Priority 3: Residents of the Counties of Yolo, Placer, El Dorado, Amador, Sutter, Yuba, Nevada, Sierra and San Joaquin.

9.2 The Unions will exert their utmost efforts to recruit sufficient numbers of skilled craft persons and apprentices to fulfill the requirements of the contractor and to meet the Local Area resident hiring objectives of this Agreement, and will provide, at the time of referral, information to the City and its representatives regarding the zip code where each skilled craft persons and apprentices referred for Project Work resides. The Local Area residents referred by the Unions must possess the requisite skills and qualifications required for the position to be filled and such referrals shall be in accordance with law and consistent with the Local Union's hiring hall rules and procedures.

9.3 The parties also recognize and support the City's commitment to provide opportunities for participation of City of Sacramento businesses on Projects covered by this Agreement. In furtherance of this commitment and the local hire objectives of this Agreement, the parties agree that such City of Sacramento contractors and subcontractors awarded work on the Project may request by name, and the Local Union will honor, referral of such Contractor's "core" employees who have applied to the Local Union for Project work, and who demonstrate the following qualifications:

- (1) possess any license required by state or federal law for the Project work to be performed;
- (2) have worked a total of at least two thousand (2,000) hours in the construction craft during the prior two (2) years;
- (3) were on the Contractor's active payroll for at least ninety (90) out of the one hundred and twenty (120) calendar days prior to the contract award;
- (4) have the ability to perform safely the basic functions of the applicable trade;
and
- (5) are City of Sacramento residents.

For purposes of this Section 9.3, a City of Sacramento contractor or subcontractor is any construction contractor that maintains its principal place of business in the City of Sacramento. A City of Sacramento resident is any individual who six (6) months prior to the award of the Construction Contract to the Contractor can certify through a utility bill, or other similar means acceptable to the parties that the individual resides within the municipal boundaries of the City of Sacramento.

9.4 The Union will refer to such Contractor one journeyman employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of such Contractor's "core" employees as a journeyman and shall repeat the process, one and one, until such Contractor's crew requirements are met or until such Contractor has hired four (4) "core" employees, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s). For the duration of the Contractor's work, the ratio shall be maintained and when the Contractor's workforce is reduced, employees shall be reduced in the same ratio of core employees to hiring hall referrals as was applied in the initial hiring.

9.5 The work hours performed by any out-of-state residents shall not be included in the total work hours on the Project in calculating the percentage of total work hours worked by Local Area residents.

9.4 Apprenticeship and Workforce Development.

9.4.1 Recognizing the need to develop adequate numbers of competent workers in the construction industry, the Contractor(s) shall employ apprentices of a California State- approved Joint Apprenticeship Training Program in the respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured. The apprentice ratios will comply with the applicable provisions of the California Labor Code and Prevailing Wage Rate Determination. Consistent with the Master Agreements and state law, there shall be no restriction on the utilization of apprentices in performing the work of their craft provided they are properly supervised.

9.4.2 It is an objective of the parties that not less than twenty percent (20%) of all apprentice hours worked on the Project, on a craft by craft basis, shall be worked by "Priority Apprentices." Priority Apprentices shall reside in one of the economically disadvantaged zip codes listed in section 9.4.2.1 and meet one additional Priority Apprentice criteria in section 9.4.2.2 below. Contractors shall reach this goal through utilization of the normal hiring hall procedures. The Unions are committed to working with the Contractors to achieve these goals. All apprentices referred to Contractors under this Agreement shall be enrolled in State of California approved Joint Apprentice Training Programs.

9.4.2.1 To qualify as a Priority Apprentice, an apprentice must reside in one of the following economically disadvantaged zip codes: 95652, 95660, 95811, 95814, 95815, 95817, 95820, 95823, 95824, 95832, 95838.

9.4.2.2 In addition to residing in one of the economically disadvantaged zip codes, to qualify as a Priority Apprentice, an apprentice must satisfy one of the eligibility criteria maintained and enforced by the Sacramento Employment and Training Agency (“SETA”), including criteria for: veterans; prior offenders; public assistance recipients; foster youth; homeless; and/or women interested in joining the trades. Determination of an individual’s satisfaction of the Priority Apprentice criteria shall be made in a manner consistent with historic eligibility determination policies and practices. The individual must also meet eligibility criteria and application requirements for applicable Union apprenticeship programs.

9.4.2.3 In the event that an insufficient number of apprentices have been identified to meet the Priority Apprentice work hour objectives of this Agreement from the economically disadvantaged zip code specified in Section 9.4.2.1 after a good faith effort to identify eligible residents, the Priority Apprentice goals may be satisfied by identifying apprentices that satisfy one of the SETA criteria described in Section 9.4.2.2 and who also are residents of the Local Area in the order of priority set forth in Section 9.1.

9.4.3 The Trades Council and Unions will determine the admission and training of Priority Apprentices placed into applicable apprenticeship programs. Upon request from a Contractor, the Unions shall timely dispatch available apprentices who satisfy specified Priority Apprentice criteria, the requirements of a specific job and such other applicable bona fide qualifications.

9.5 The Contractor and Unions shall make good faith efforts to reach the local hire, and Priority Apprentice goals set forth in Section 9 through the utilization of normal hiring hall and apprentice procedures and, when appropriate, the identification of potentially qualified apprentices through community-based organizations working in collaboration with the apprenticeship programs. The Unions are committed to working with the Contractor(s) and community-based organizations to achieve these goals. At least annually, the Unions and the City will conduct a Community Career Fair to provide at-risk youth, veterans, and others an opportunity to learn about each craft and the process for entering their apprenticeship programs.

9.5.1 To assess compliance with the local hire and Priority Apprentice goals of the CWTA, Contractor shall provide monthly workforce reports at the regular Joint Labor/Management meetings required by the CWTA. The workforce reports shall include information regarding the number of: (i) journey-level workers that are Local Area Residents; (ii) Apprentices that are Local Area Residents and satisfy the other Priority Apprentice criteria, including a breakdown of apprentices that reside within the targeted zip codes. The Contractor(s) and the Unions agree to furnish all information required to prepare these reports.

9.5.2 In the event that the workforce reports indicate that the local hire and apprenticeship goals of the CWTA are not being met, the Project Manager or his or her designee shall explore with the Contractors and subcontractors and the Unions additional actions and measures that may be taken to ensure compliance with such goals.

9.5.3. The Contractor(s) will describe the requirements, performance and enforcement mechanisms of this CWTA including this Apprenticeship Program in each subcontract. Any Contractor or subcontractor who fails to employ without just cause

Apprentice(s) dispatched by an Apprenticeship Program thereby jeopardizing its opportunity to achieve the apprenticeship goals described above shall, upon receipt of written notice from the Project Manager or his or her designee, be given thirty (30) days to promptly employ such number of dispatched Apprentices as may be required to meet the stated apprentice goals available under that certain Subcontractor's subcontract. In the event of a second written notice of failure to employ without just cause dispatched Apprentices from the Unions to a Contractor or subcontractor, the Project Manager or his or her designee shall take such actions as it deems appropriate to the circumstances and necessary to achieve the purposes of the CWTA, bid documents, and the subcontractor's subcontract.

9.6 Student Internship Opportunities. All Contractors awarded Construction Contracts to perform Covered Work on the Project shall make a good faith effort to provide paid internship opportunities to eligible students. Such opportunities may include engineering, design, and/or construction management work associated with the implementation and administration of the Project.

9.7 Good Faith Efforts. A Contractor must take the following good faith steps to demonstrate that it has made every effort to reach the Local Hire, Priority Apprentice, and Student Internship goals of this Agreement. The Contractor shall attend scheduled Pre-Job meetings held under this Agreement and shall submit written workforce projections and projected work hours on a craft-by-craft basis.

9.7.1 Within seven (7) calendar days after Notice to Proceed, the Contractor shall meet with the Unions and the City to present its plan for reaching the Local Hire, Priority Apprentice and Student Internship goals.

9.7.2 The Contractor or subcontractor shall notify the Project Manager by U.S. Mail or electronic mail if a Union hiring hall cannot, upon request by the Contractor or subcontractor, dispatch Local Area residents and/or Priority Apprentices to the Project. It shall be the responsibility of the Contractor to retain all evidence of such good faith efforts.

9.8 Enforcement, Compliance and Reporting.

9.8.1 Contractors will be required to submit Certified Weekly Payrolls to the City along with monthly workforce utilization reports, described in section 9.5.1 above, documenting the Contractor's compliance with the requirements described in this Article. At a minimum, the monthly reports must include: 1) data on Local Area residents, Priority Apprentice, and Student Internship work hour utilization on the Project; and 2) documentation showing any requests made to the Union dispatchers for Local Area residents and Priority Apprentices and the Union's response to the request.

9.8.2 The City staff shall monitor the operation of the Local Hire, Priority Apprentice and Student Internship programs and shall consider allegations of non-compliance with the goals stated in this Article. If there is a determination by the City that a Contractor has not complied with the goals or demonstrated good faith efforts to do so, the City and the Contractor shall meet and confer in order to identify necessary actions to resolve the issue and ensure a good faith effort to achieve the objectives of this Article.

ARTICLE X
HELMETS TO HARDHATS

10.1 The Contractor(s) and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans and members of the National Guard and Reserves who are interested in careers in the building and construction industry. The Contractor(s) and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center"), a joint Labor- Management Cooperation Trust Fund, established under the authority of Section 6(b) of the Labor- Management Cooperation Act of 1978, 29 U.S.C. Section 175(a), and Section 302(c)(9) of the Labor-Management Relations Act, 29 U.S.C. Section 186(c)(9), and a charitable tax exempt organization under Section 501(c)(3) of the Internal Revenue Code, and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

10.2 The Unions and Contractor(s) agree to coordinate with the Center to participate in an integrated database of veterans and members of the National Guard and Reserves interested in working on the Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE XI
WAGES AND BENEFITS

11.1 All Contractor(s) agree to pay contributions to the established vacation, pension and other form of deferred compensation plan, apprenticeship, worker protection and assistance, and health benefit funds established by the applicable Master Agreement for each hour worked on the Project in the amounts designated in the Master Agreements of the appropriate Local Unions.

11.2 By signing this Agreement, the Contractor(s) adopts and agrees to be bound by the written terms of the legally established Trust Agreements, as described in Section 11.1, which may from time to time be amended, specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds. The Contractor(s) authorize the parties to such local trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratify and accept the trustees so appointed as if made by the Contractor(s). The Contractor(s) agrees to execute a separate Subscription Agreement(s) for a Trust Fund(s) when required by such Trust Fund(s).

11.3 Wages, Hours, Terms and Conditions of Employment. The wages, hours and other terms and conditions of employment on the Project shall be governed by the Master Agreement of the respective crafts to the extent such Master Agreement is not inconsistent with this Agreement. All employees covered by this Agreement shall be classified and paid in accordance with the classification and wage scales contained in the appropriate local

agreements which have been negotiated by the historically recognized bargaining entity and in compliance with the applicable general prevailing wage determination made by the Director of Industrial Relations pursuant to the California Labor Code.

11.4 During the period of construction on this Project, the Contractor(s) agrees to recognize and put into effect such increases in wages and recognized fringe benefits as shall be negotiated between the various Unions and the historically recognized local bargaining entity on the effective date as set forth in the applicable agreement. The Unions shall notify the Contractor(s) in writing of the specific increases in wages and recognized fringe benefits and the date on which they become effective.

11.5 Holidays. Holidays shall be in compliance with the applicable Schedule A agreement.

ARTICLE XII **COMPLIANCE**

12.1 It shall be the responsibility of the Contractor(s) and Unions to investigate and monitor compliance with the provisions of the Agreement contained in Article XI. Nothing in this Agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent Trust Fund contributions from Employers on the Project. The City shall monitor and enforce the Contractor(s)' compliance with this Agreement and with the prevailing wage requirements of the State to the extent required by law.

ARTICLE XIII **EMPLOYEE GRIEVANCE PROCEDURE**

13.1 All disputes involving discipline and/or discharge of employees working on the Project shall be resolved through the grievance and arbitration provision contained in the Master Agreement for the craft of the affected employee. No employee working on the Project shall be disciplined or dismissed without just cause.

ARTICLE XIV **GENERAL GRIEVANCE PROCEDURE**

14.1 Project Labor Disputes. All disputes involving the application or interpretation of the Master Agreement to which a signatory Contractor and a signatory Union are parties shall be resolved pursuant to the resolution procedures of that Master Agreement. All disputes relating to the interpretation or application of this Agreement, excluding work stoppages, strikes, sympathy strikes, and lockouts subject to Article IV, shall be subject to resolution by the grievance arbitration procedures set forth in this Article XIV.

14.2 No grievance shall be recognized unless the grieving party (Local Union or District Council on its own behalf, or on behalf of an employee whom it represents, or a Contractor on its own behalf) provides notice in writing to the party with whom it has a dispute within five (5) business days after becoming aware of the dispute but in no event more than thirty (30) business days after it reasonably should have become aware of the event giving rise to the dispute. Time limits may be extended by mutual written agreement of the parties.

Step 1: Within five (5) business days after the receipt of the written notice of the grievance, the Business Representative of the involved Local Union or District Council, or his/her designee, or the representative of the employee, and the representative of the involved Contractor shall confer and attempt to resolve the grievance.

Step 2: In the event that the representatives are unable to resolve the dispute within the five (5) business days of the Step 1 meeting, within five (5) business days thereafter, the alleged grievance may be referred in writing by either involved party to the Business Manager(s) of the affected Union(s) involved and the Manager of Labor Relations of the Contractor(s) or the Manager's designated representative, for discussion and resolution. Regardless of which party has initiated the grievance proceeding, prior to a Step 2 meeting, the Union(s) shall notify its International Union representative(s), which shall advise both parties if it intends on participating in a Step 2 meeting. The Project Manager and the Trades Council shall have the right to participate in any efforts to resolve the dispute at Step 2.

Step 3: If the grievance is not settled in Step 2 within five (5) business days, within five (5) business days thereafter, either party may request the dispute be submitted to an Arbitrator for final and binding arbitration. The request for arbitration must be in writing with a copy to Project Manager. Should the parties be unable to mutually agree on the selection of an Arbitrator, selection for that given arbitration shall be made by seeking a list of seven (7) labor arbitrators with construction experience from the Federal Mediation and Conciliation Service and alternately striking names from the list of names on the list until the parties agree on an Arbitrator or until one name remains. The first party to strike a name from the list shall alternate between the party bringing forth the grievance and the party defending the grievance. The Project Manager shall keep a record of the sequence and shall notify the parties to the grievance as to which party has the right to strike a name first. The decision of the Arbitrator shall be final and binding on all parties. The Arbitrator shall have no authority to change, amend, add to or detract from any of the provisions of the Agreement. The expense of the Arbitrator shall be borne equally by both parties. The Arbitrator shall arrange for a hearing on the earliest available date from the date of his/her selection. A decision shall be given to the parties within five (5) calendar days after completion of the hearing unless such time is extended by mutual agreement. A written opinion may be requested by a party from the presiding arbitrator.

The time limits specified in any step of the Grievance Procedure set forth in Section 14.2 may be extended by mutual agreement of the parties. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without an agreed upon extension of time, shall be deemed a waiver of such grievance without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes.

In order to encourage the resolution of disputes and grievances at Steps 1 and 2 of this Grievance Procedure, the parties agree that such settlements shall not be precedent setting.

14.3 Retention. At the time a grievance is submitted under this Agreement or any Master Agreement, the Union(s) may request that the City withhold and retain an amount from what is due and owing to the Contractor(s) against whom the grievance is filed sufficient to cover the damages alleged in the grievance should the Union(s) prevail. The amount shall be retained by the City until such time as the underlying grievance giving rise to the retention is withdrawn, settled, or otherwise resolved, and the retained amount shall be paid to whomever the parties to the grievance shall decide, or to whomever an Arbitrator shall so order.

ARTICLE XV
WORK ASSIGNMENTS AND JURISDICTIONAL
DISPUTES

15.1 The assignment of Covered Work will be solely the responsibility of the Contractor(s) performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the "Plan") or any successor Plan.

15.2 All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Contractor(s) subject to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Contractor(s) subject to this Agreement.

15.3 If a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California within fourteen (14) days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

15.4 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature and the Contractor(s)' assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge. Each Contractor will conduct a pre-job conference with the Unions in accordance with Section 5.2 of this Agreement.

ARTICLE XVI
MANAGEMENT RIGHTS

16.1 The City and Contractor(s) shall retain full and exclusive authority for the management of their operations, including the right to direct their workforce in their sole discretion. Except as provided by Section 2.2.3 and by the lawful manning provisions in the applicable Master Agreement, no rules, customs or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees.

ARTICLE XVII
DRUG & ALCOHOL TESTING

17.1 The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.

17.2 The parties agree to recognize and use the Substance Abuse Program contained in each applicable Local Union's Master Agreement, except as it may conflict with the City's Drug-Free Workplace Policy. In the event of a conflict, the City's policy shall prevail.

ARTICLE XVIII
SAVINGS CLAUSE

18.1 The parties agree that in the event any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, clause, sentence or word which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or word in question.

18.2 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins the City from complying with all or part of its provisions and the City accordingly determines that the Agreement will not be required as part of an award to a Contractor(s), the Unions will no longer be bound by the provisions of Article IV.

18.3 The parties agree that should any Project subject to this Agreement receive a non-de minimis allocation of state or federal funds for construction of the Project, and such state or federal funding allocation includes a condition to receipt of the funds that prohibits the City from applying any local hiring preference in any contracts for construction of the Project, or that prohibits application of any other provision or provisions of this Agreement, the local resident hiring provisions contained in Article IX , or any other provision or provisions of this Agreement prohibited by such condition to receipt of funds, shall not be applied to the Project, but all other terms and conditions of this Agreement shall remain in full force and effect.

ARTICLE XIX
AMENDMENT/COUNTERPARTS/AUTHORITY

19.1 Any substantive modification of any provision or addendum to this Agreement must be reduced to writing and signed by the City, Trades Council and Unions to be effective.

19.2 This Agreement may be executed in counterparts, such that original signatures may appear on separate pages, and when bound together all necessary signatures shall constitute an original. Facsimile or scanned signature pages transmitted to other parties to this Agreement shall be deemed equivalent to original signatures.

19.3 Each of the persons signing this Agreement represents and warrants that such

person has been duly authorized to sign this Agreement on behalf of the party indicated and each of the parties by signing this Agreement warrants and represents that such party is legally authorized and entitled to enter into this Agreement.

ARTICLE XX
TERM

20.1 This Agreement shall remain in full force and effect for a period of five (5) years from the date it becomes effective. Prior to the expiration of this Agreement, the City and the Trades Council agree to meet and confer regarding the status of and experience with Projects covered by the Agreement. The parties may agree to extend the term of this Agreement, or enter into a new agreement incorporating any substantive changes based on the status of and experience with Projects covered by the Agreement.

CITY OF SACRAMENTO

Name: Date: _____

Title:

Approved as to form:

City Attorney Date: _____

Attested to by:

City Clerk Date: _____

SACRAMENTO BUILDING AND CONSTRUCTION TRADES COUNCIL,
AFL-CIO COUNCIL

Name: Date: _____

Title:

UNIONS

Asbestos Workers Local #16

Iron Workers Local #118

Bricklayers Local #3

Laborers Local #185

Boilermakers Local #549

Operating Engineers Local #3

Cement Masons Local #400

Plasterers & Cement Masons Local #300

Northern California Carpenters Regional Council
on behalf of itself and its affiliated Local Unions

UA of Journeymen & Apprentices of the
Plumbing & Pipe Fitting Ind. Local #355

District Council #16 International
Union of Painters & Allied Trades

Plumbers & Pipefitters Local #447

Elevator Constructors Local #8

Roofers Local #81

International Brotherhood of Electricians
Local #340

Sheet Metal Workers Local #104

Sprinkler Fitters Local #669

Teamsters Local #150

Asbestos, Lead and Mold Laborers
Local #67

Addendum A

**COMMUNITY WORKFORCE AND TRAINING AGREEMENT
CITY OF SACRAMENTO**

AGREEMENT TO BE BOUND

The undersigned, as a Contractor or Subcontractor, including construction material trucking company/entity, (CONTRACTOR) on the City of Sacramento Project, (hereinafter PROJECT), for and in consideration of the award to it of a contract to perform work on said PROJECT, and in further consideration of the mutual promises made in this Community Workforce and Training Agreement (hereinafter AGREEMENT), a copy of which was received and is acknowledged, hereby:

(1) Accepts and agrees to be bound by the terms and conditions of the AGREEMENT for this Project, together with any and all amendments and supplements now existing or which are later made thereto.

(2) The CONTRACTOR agrees to be bound by the legally established local trust agreements designated in the applicable Master Agreement as described in Article XI of this AGREEMENT.

(3) The CONTRACTOR authorizes the parties to such local trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed as if made by the CONTRACTOR.

(4) Certifies that it has no commitments or agreements which would preclude its full and complete compliance with the terms and conditions of said AGREEMENT.

(5) Agrees to secure from any CONTRACTOR(S) (as defined in said AGREEMENT) which is or becomes a subcontractor (of any tier) to it, a duly executed Agreement to be Bound in form identical to this document.

(6) This Agreement to be Bound constitutes a subscription agreement to the extent of its terms. However, the undersigned agrees to execute a separate Subscription Agreement(s) or contributing employer agreement for Trust Funds when such Trust Fund(s) requires such document(s).

Date: _____

Name of Contractor

(Name of Contractor Representative)

(Authorized Officer & Title)

CSLB # or Motor Carrier Permit

REQUIREMENTS FOR THE LOCAL HIRE AND COMMUNITY WORKFORCE TRAINING PROGRAM

INTRODUCTION

The City of Sacramento has established a Local Hire and Community Workforce Training Program (“Local Hire Program”) to facilitate the employment of residents from the City of Sacramento, as well as the County of Sacramento and nine other nearby counties (the “Local Area”), on the City's capital improvement projects and to develop increased numbers of local skilled construction workers to meet the requirements of the regional construction economy.

APPLICATION

The Local Hire Program applies to the City’s capital improvement projects where the cost of the integrated construction project is \$1,000,000 or more.

DEFINITIONS

A “Covered Project” means a City construction project with a total cost of \$1,000,000 or more.

The “Local Area” includes Sacramento, Yolo, Placer, El Dorado, Amador, San Joaquin, Sutter, Yuba, Nevada, and Sierra counties, in the following order of priority:

Priority 1: Residents of the City of Sacramento

Priority 2: Residents of Sacramento County, outside the City of Sacramento

Priority 3: Residents of the Counties of Amador, El Dorado, Nevada, Placer, San Joaquin, Sierra, Sutter, Yolo, Yuba counties

A “Priority Apprentice” means an individual who is enrolled in a State of California approved Joint Apprentice Training Program, and who is a Resident of a Targeted Zip Code and meets one or more of the criteria maintained and enforced by the Sacramento Employment and Training Agency (“SETA”), including:

1. Veteran;
2. Prior offender;
3. Public assistance recipient;
4. Foster youth;
5. Homeless individual; or
6. Woman.

Determination of an individual’s qualifications as a Priority Apprentice shall be made by SETA based on documentation provided by the employee including: utility bills, including water, telephone, electricity, etc.; government issued documents, including driver’s license, court

order, etc.; bank statement; documentation from an insurance company; mortgage statement or residential lease/rental agreement; or, in the case of homeless individuals, a letter from a non-profit or other organization granting benefits or providing services to the individual. If necessary, SETA shall follow-up with visits or a phone call to verify information.

“Resident” means an individual who resides in the Local Area permanently. To demonstrate that an employee is a Resident of the Local Area, the employee shall provide the following documentation with a qualifying zip code: utility bills, including water, telephone, electricity, etc.; government issued documents, including driver’s license, court order, etc.; bank statement; documentation from an insurance company; a mortgage statement or residential lease/rental agreement; or, in the case of homeless individuals, a letter from a non-profit or other organization granting benefits or providing services to the individual. If necessary, SETA shall follow-up with visits or a phone call to verify information.

A “Targeted Zip Code” means one of the following economically disadvantaged zip codes: 95652, 95660, 95811, 95814, 95815, 95817, 95820, 95823, 95824, 95832, 95838.

LOCAL HIRE AND WORKFORCE DEVELOPMENT PROGRAM

Contractor and subcontractors hired to construct a Covered Project shall utilize workers, including Priority Apprentices and Student Interns, from the Local Area, as set forth below.

Total Workforce Goal

50% of the total workforce hours shall be worked by Residents the Local Area in the following priority:

1. Priority 1: Residents of the City of Sacramento.
2. Priority 2: Residents of Sacramento County outside the City of Sacramento.
3. Priority 3: Residents of the counties of Amador, El Dorado, Nevada, Placer, San Joaquin, Sierra, Sutter, Yolo, and Yuba.

Priority Apprentice Goal

20% of the total apprentice hours for the Covered Project, on a craft by craft basis, shall be worked by Priority Apprentices. Contractors will utilize the normal hiring hall procedures to reach this goal.

Student Internship Goals

All Contractors awarded construction contracts shall make a good faith effort to provide paid internship opportunities to eligible students. Such opportunities may include engineering,

design, and/or construction management work associated with the implementation or administration of a Covered Project or another project.

RECORDS AND DEMONSTRATING DILIGENT EFFORTS OF CONTRACTOR

Each contractor shall attend scheduled pre-job meetings and shall submit written workforce projections and projected work hours on a craft-by-craft basis. Within seven calendar days after receiving a notice to proceed, the Contractor shall meet with the City to present its plan for reaching the Total Workforce, Priority Apprentice, and Student Internship Goals.

Each contractor shall demonstrate its ongoing, diligent effort to satisfy the Total Workforce, Priority Apprentice, and Student Internship Goals by submitting monthly reports to the City identifying: i) journey-level workers that are Local Area Residents (including a listing with name, craft, and zip code of each worker); (ii) apprentices that satisfy the Priority Apprentice criteria, including a breakdown of apprentices that reside within the Targeted Zip Codes and a breakdown of the other Priority Apprentice criteria satisfied (reflecting the name, craft, zip code, and other qualifying criteria met for each apprentice); and iii) student interns that are Local Area Residents. Along with the monthly reports, each contractor shall submit certified weekly payrolls to the City to demonstrate the total hours worked on the project.

If the union hiring hall cannot, upon the request of the contractor or subcontractor, dispatch Local Area Residents or Priority Apprentices to the project, the contractor or subcontractor shall promptly notify the City.

In the event contractor's monthly reports do not demonstrate progress toward achieving the Total Workforce, Priority Apprentice, and Student Internship Goals, or demonstrate contractor's ongoing, diligent effort to do so, the City and the contractor shall meet and confer to identify necessary actions to resolve the issue and ensure a diligent effort to achieve the Total Workforce and Priority Apprentice Goals moving forward. If the contractor demonstrates that sufficient Priority Apprentices residing within the Targeted Zip Codes are unavailable, the City may prioritize apprentices that otherwise satisfy one of the criteria of Priority Apprentices who Reside in the Local Area.

The contractor shall maintain employment and payroll records of workers for three years after receiving final payment from the City. Such records shall show the name and address of worker, and the total number of hours worked.

No later than 30 days after completion of the project, a final report shall be prepared, certified correct by the contractor's authorized representative, and furnished to the City. The contractor shall provide such other information, records, reports, certification, or other documents as may be required by the City, to determine compliance with any provision of the Local Hire Program.

REQUIREMENTS FOR THE LOCAL BUSINESS INVOLVEMENT PILOT PROGRAM

INTRODUCTION

The City of Sacramento has established a Local Business Involvement (LBI) Pilot Program to encourage enhanced opportunities for businesses in the LBI Area to participate in the City's capital improvement projects. Upon the conclusion of the Sacramento Convention Center and Community Center Theater renovation projects, the City will evaluate the results of the LBI Pilot Program to determine whether to establish a regular, on-going program.

This LBI Pilot Program is separate from the City's existing Local Business Enterprise Program, which was not applied to the Sacramento Convention Center and Community Center Theater renovation projects.

APPLICATION

The LBI Pilot Program applies to only two capital improvement projects – the renovation of the Sacramento Convention Center and the Community Center Theater.

DEFINITIONS

A "Local Business" means a business enterprise, including but not limited to, a sole proprietorship, partnership, limited liability company, corporation, or other business entity that has a "legitimate business presence" within the "LBI Area."

A "legitimate business presence" within the LBI Area means:

1. An established business entity operating within the LBI Area for at least 12 consecutive months prior to submission of bid or contracting; and
2. Legally operating a location in the LBI Area that is either:
 - a. a principal business office or workspace; or
 - b. a regional, branch, or satellite office, with at least one full-time employee assigned to that location.

Upon the request of the City, businesses shall provide proof of legally operating a location within the LBI Area for the required time period by providing the following documents:

- Tax returns for the business;
- Utility bills in the name of the business;

- Business licenses;
- Mortgage statement, lease, or other property agreement in the name of the business; and/or
- Other government issued documents.

The “LBI Area” includes Sacramento, Yolo, Placer, El Dorado, San Joaquin, Sutter, and Yuba counties.

A “Small Local Business” means a Local Business that is certified as a small business through the State of California’s Small Business Certification program or the U.S. Small Business Administration’s certification program. Upon the request of the City, a Small Local Business must provide proof of certification through the State of California’s Small Business Certification program or the U.S. Small Business Administration’s certification program.

REGIONAL BUSINESS INVOLVEMENT PILOT PROGRAM

It shall be the goal of the contractors performing construction, design, and other professional services on the projects covered by the LBI Pilot Program to spend 50% of their total contract budgets with Local Businesses (“LBI Goal”). Of the 50% spent with Local Businesses, 15% of the 50% shall be spent with Small Local Businesses (“Small LBI Goal”).

The percentage of LBI participation shall be determined based on the dollar value of the work to be performed by the contractor, subcontractors, or suppliers that are Local Businesses and Small Local Businesses.

To receive credit for Local Business and Small Local Business participation, a contractor or subcontractor must: (1) be responsible for the execution of a distinct element of the work; (2) possess any license or certification required for the work; and (3) actually perform, manage, or supervise the work without shifting a portion of the work to another subcontractor or supplier.

A supplier must: (1) furnish materials or equipment that the supplier sells as a recurring, although not necessarily primary, part of its business; and (2) the materials or equipment must be necessary for performance of the work.

RECORDS AND DILIGENT EFFORTS OF CONTRACTOR

Each contractor shall demonstrate its ongoing, diligent efforts to satisfy the LBI Goal and Small LBI Goal by submitting quarterly reports documenting the contractor’s outreach efforts to Local Businesses and Small Local Businesses, and their actual level of expenditures broken down by Local Business, Small Local Business, and their total expenditures to date. Documentation of

contractor's outreach efforts shall include: the names and dates of any publication in which the contractor requested Local Business or Small Local Business participation in the project; names of companies contacted requesting Local Business or Small Local Business participation in the project, and the dates of such contacts; documentation of responses received expressing non-interest, or the price difference in bid amounts between those solicited and those selected to provide services and/or supplies.

In the event contractor's quarterly reports do not demonstrate progress toward achieving the LBI Goal or Small LBI Goal, or demonstrate contractor's ongoing, diligent efforts to do so, the City and the contractor shall meet and confer to identify necessary actions to resolve the issue and ensure a diligent effort to achieve the LBI Goal and Small LBI Goal going forward.

The contractor shall maintain records of all subcontracts with verified Local Businesses and Small Local Businesses for three years after receiving final payment from the City. Such records shall show the name and business address of each subcontractor or supplier, and the total amount actually paid to each subcontractor or supplier.

No later than 30 days after completion of the project, a final report shall be prepared, certified correct by the contractor's authorized representative, and furnished to the City. The contractor shall provide such other information, records, reports, certification, or other documents as may be required by the City, to determine compliance with any provision of the LBI Pilot Program.